GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:2298
ANSWERED ON:06.05.2016
Reduction of Central Assistance
Singh Deo Shri Kalikesh Narayan;Singh Dr. Prabhas Kumar

Will the Minister of PLANNING be pleased to state:

(a) whether the Government has taken cognizance of problems faced by various States due to discontinuance and reduction of central assistance for developmental programmes; if so, the details thereof and corrective action taken by the Government in this regard;

(b) whether the Government proposes to restore provisions of discontinued and reduced central assistance programmes or provide special package to continue implementation of these programmes in backward regions of Koraput, Bolangir and Kalahandi (KBK) districts, if so, the details thereof and the time by which it is likely to be restored;

(c) if not the reasons therefor;

(d) whether the Government also proposes to provide assistance for States facing drought, water crisis and a heat wave, if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING
AND MINISTER OF STATE FOR DEFENCE
RAO INDERJIT SINGH

(a) Central Assistance to State Plans (CASP) for the financial year 2015-16 is Rs.2,16,108 crore against Rs.2,70,829 crore in 2014-15. However, 14th Finance Commission has recommended an increase of 10% in State's share of net proceeds of Union taxes and duties. This increase from 32% to 42% underpins the laudable objective of giving the States' more financial autonomy. While recommending its devolution and grants to States, Finance Commission has reckoned the total expenditure including Plan expenditure. The increased devolution undoubtedly increased the quantum of untied funds available to the States which could be utilized by the States for various schemes/ programmes. The combined provision for central transfers to the State from devolution of taxes, grants-in-aid and CASP in 2015-16 is about 21.1% more over 2014-15 (Table 1).

Table 1
Rs. crore

Items	2014-15 Actual	2015-16 Revised Estimate	% change
Share in Central Taxes/devolution	3,37,808	5,06,193	49.8
Non plan Grants & Loans	77,198	1,08,312	40.3
CASP Transfers	2,70,829	2,16,108	-20.2
Total	6,85,835	8,30,613	21.1

Source: Budget At a Glance, Union Budget 2016-17.

(b) & (c) The Union Budget has, thereby, discontinued to provide funds under certain schemes like Normal Central Assistance, Special Central Assistance, Backward Region Grant Funds (including assistance for KBK) etc. w.e.f. FY 2015-16. However, in FY 2015-16, Rs.132.07 crore was released to Odisha State from Special Assistance available under Demand No.37 of Union Expenditure Budget Vol.II as one time grant for completion of programmes in backward regions of KBK. In FY 2016-17, there is no separate budget line to provide funds for special package like continuance for implementation of the programmes such as assistance for KBK.

(d) & (e) Assistance is provided to the States in case of calamities like cyclones, droughts, earthquakes, fires, floods, tsunamis, hailstorms, landslides, avalanches, cloud bursts, pest attacks, cold waves and frost under the Disaster Management Act through National Disaster Response Fund (NDRF) & State Disaster Response Fund (SDRF). The releases under NDRF & SDRF during FY 2015-16 was Rs.12,452 crore and Rs.8,758 crore, respectively.